Redefining Profit, Value, and Success

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Taxonomy

Where to Start?

- Environment
- Employees
- Customers
Environmental Impact

- Capacity
  - Working
  - Fish Production
  - Crop Production
  - Meat Production
  - Water Production
  - Wood Production

- Biodiversity
- Abiotic Resources

Environmental Impact
Auto Components and Cars

- **Goodyear**: 41% $417 Million
- **Pirelli**: 38% $114 Million
- **Continental**: 14% $401 Million
- **Bridgestone**: 12% $457 Million
- **GM**: 17% $758 Million
- **Nissan**: 8% $440 Million
- **Daimler**: 4% $396 Million
- **Toyota**: 4% $956 Million
- **Peugeot**: 4% $281 Million
- **Subaru**: 3% $87 Million

Source: Freiberg, Park, Serafeim, and Zochowski. “Corporate Environmental Impact: Measurement, Data and Information”
Value

Source: Freiberg, Park, Serafeim, and Zochowski.
“Corporate Environmental Impact: Measurement, Data and Information”
Employment Impact

Costco
+248%
+$9.6 billion

Intel
+69%
+$4.5 billion

Merck
+32%
+$1.9 billion

Note: US operations only
Source: Freiberg, Panella, Serafeim and Zochowski. Accounting for organizational employment impact.
Employees

**Wage Quality**
+261%
+$10.1$ billion

**Career Advancement**
+98%
+$6.5$ billion

**Opportunity**
+37%
+$2.2$ billion

**Health & Wellbeing**
+32%
+$10.3$ billion

Note: US operations only
Source: Freiberg, Panella, Serafeim and Zochowski.
Accounting for organizational employment impact.
Labor Community

Note: US operations only
Source: Freiberg, Panella, Serafeim and Zochowski.
Accounting for organizational employment impact.
Product Level

Quantity and duration
How many products are sold and what is the average product life?

Recyclability
What happens to the product once it has been consumed?

Quality
Does the product work as it should? Does it pose health and safety concerns?

Emissions
What are the emissions’ impacts resulting from product use?

Access
Is the product accessible and affordable?

Source: Richmond Global Sciences
Outcome

Creation of widely adopted financial accounts that reflect a company’s financial, social, & environmental performance in a way that drives investor and managerial decision making.

**Intuitive Measurement Unit**
Translates social & environmental impact into comparable units that business managers and investors intuitively understand.

**Comparable & Aggregated**
Can be meaningfully aggregated and compared without obscuring important details needed for decision-making.

**Existing Assessment Tools**
Displays financial and impact performance in the same accounts, allowing for the use of existing financial and business analysis tools to assess corporate performance.
Perfect vs Progress

“It is better to be roughly right than precisely wrong”

John Maynard Keynes
We Each Have a Role to Play

If you lead a company, measure, improve and communicate your impact-weighted performance.

If you are an investor, demand impact transparency from the companies you invest in and use impact-weighted numbers to assess opportunities and risk.

If you are a regulator or government official, mandate the publication of impact-weighted accounts, and introduce taxes and incentives based on both profit and impact.

And since we are all consumers, let’s buy the products of companies that deliver positive impact.
THANK YOU

More information: IWAI